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REPORT

50X1-HUM

CD NO.

COUNTRY Yugoslavia
 SUBJECT Economic - Plan fulfillment
 HOW PUBLISHED Daily newspapers
 WHERE PUBLISHED Yugoslavia; Switzerland
 DATE PUBLISHED 15, 20 Jul 1950
 LANGUAGE Slovenian, German

DATE OF INFORMATION 1950

DATE DIST. 21 Sep 1950

NO. OF PAGES 3

SUPPLEMENT TO REPORT NO.

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PLAN FULFILLMENT UNSATISFACTORY IN SOME BRANCHES

PLANNING COMMISSION HEAD MAKES REPORT - Ljubljana Slovenski Porocevalec, 15 Jul 50

In his recent speech on the fulfillment of the half-year plan, Boris Kidric, President of the Federal Planning Commission, explained that in order to complete the basic capital construction projects called for by the plan, the import of textile raw materials was considerably decreased during the first half of 1950. Following are high points of his speech.

The 1950 plan for the textile industry was reduced by 1,800,000,000 dinars. Because of this reduction, the textile industry's plan fulfillment for the first half of 1950 was only 91.7 percent as compared with the plan for the first half of 1949.

For the same reasons, the original plan for the chemical industry also was reduced. The reduction affected blue vitriol, soap, varnish, and oil paints. For that reason and because of general foreign exchange difficulties, production in the chemical industry during the first half of 1950 was only 2 percent greater than during the first half of 1949.

Production in the food industry also declined considerably during the first half of 1950, as only 85.5 percent of the plan was fulfilled as compared with the first half of 1949.

The main reason for the above declines is that since sugar beet production was low in 1949, the plan for the industrial processing of sugar for the first half of 1950 had to be reduced in comparison with 1949.

Because of an increase in government purchasing of hides, the production of leather and footwear in the first half of 1950 was increased to 107.3 percent in comparison with the first half of 1949. In the first half of 1949, 2,274,000,000 dinars' worth of leather and footwear were produced, while during the first half of this year 3,150,000,000 dinars' worth of leather and footwear were produced. This half-year's production of tobacco was increased to 107.8 percent as compared to the production of the first half of 1949. This half-year's production of tobacco amounted to 2,274,000,000 dinars, while the production of the first half of 1949 amounted to 2,178,000,000 dinars.

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The metal industry produced 1,500,000,000 dinars' worth more consumer goods in the first half of 1950 than during the first half of 1949, and local metal industry produced 1,200,000,000 dinars' worth more goods.

The total production of the most important consumers' goods industries in the first half of 1950 was 6 percent greater than during the first half of 1949. This is despite the fact that the textile industry's production fell to 9,778,000,000 dinars' worth of textiles during the first half of 1950, as compared to the 10,674,000,000 dinars' worth of textiles during the first half of 1949. The food industry's production fell to 3,688,000,000 dinars' worth of food during the first half of 1950, as compared to the 4,317,000,000 dinars' worth of food during the first half of 1949.

The decreased production in the textile and food industries caused the guaranteed supply and commerce at tied prices to decrease to 97 percent during the first half of 1950, as compared to the first half of 1949.

The distribution of fats and meat was a little greater during the first half of 1950 than during the first half of 1949. During the first half of 1949, 23,457 tons of fats and 35,803 tons of meat were available to the population, while during the first half of 1950, 25,790 tons of fats and 40,390 tons of meat were available.

The apparent decline in available fats and meat resulted from uneven distribution. During March and April, the supply of fats and meat was very low, while during the first quarter it was quite high. In May it increased, and in June and July it fell again because the ships bringing fats and meat to Yugoslavia from abroad were delayed.

If the sugar-beet production does not fall below expectations, and if the planned amount of grain is purchased, the industrial production of consumers' goods will be satisfactory not only in those branches in which it was above that of the first half of 1949 during the first half of 1950, but also in the textile and food industries. In such a case, the fulfillment of the plan for the production of textiles would be 2 percent less than the total 1949 production, but the production of other branches contributing to the standard of living would increase according to the plan.

When imports of textile raw materials were decreased in order to encourage capital construction, Yugoslavia imported 14,064 tons of sugar and 9,042 tons of fats for general consumption.

SEES REORIENTATION OF YUGOSLAV ECONOMY -- Neue Zürcher Zeitung, 20 Jul 50

One of Boris Kidric's latest speeches indicates that the Yugoslav economic system is deviating markedly from the Soviet system. The deviation can be observed in various fields.

In agriculture, the pressure on private farmers is decreasing for the first time since the liberation. These farmers still own three-quarters to four-fifths of the total arable land in Yugoslavia. The compulsory delivery quotas for grain appear to be lower this year than in 1949, and their fulfillment does not seem to be enforced too rigorously.

In 1949, the quotas were so high that they often surpassed the total production of the farm. Through this method, Yugoslav authorities hoped to compel private farmers to give up their farms and join cooperatives. This practice was stopped this year.

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The government seems to have supplied private farmers (at least in some sections), also for the first time, with fertilizer, insecticide, serums against hog cholera, and veterinary advice. For the first time in years the government has permitted the sons of private farmers to attend agricultural schools. Excessive quotas for the compulsory delivery of livestock are no longer being fixed.

This agricultural and political reorientation undoubtedly resulted from the passive resistance of farmers to collectivization. This resistance had threatened to eliminate exports and had injured the Yugoslav food supply.

The collectivization program itself was not very successful because of a shortage of the machinery necessary for the maintenance of large cooperative farms. Nevertheless, the government's final goal is total collectivization of farms.

However, experts in Belgrade do not consider it impossible for state farms, agricultural cooperatives, and cooperatives of organized private farmers to exist simultaneously and to compete freely with one another, provided the deviation from Moscow continues.

An important aspect of the reorientation in Yugoslav industry is the decentralization of governmental authority by the formation of councils and committees of workers in enterprises. These are to manage the enterprises in co-operation with a manager, who was previously the sole head.

It is believed that these managers, who at first were appointed purely on political grounds, will eventually be replaced by capable but politically less reliable technicians, who will be given shares in the profits of the enterprise provided they increase production.

The new law on the decentralization of industry is expected to result in a production increase and is expected to serve as a strong propaganda weapon in the Yugoslav-Cominform schism.

The principle of profit-sharing has been established already in the hotel industry. Former restaurant owners in Belgrade were offered the opportunity by the government of taking over the management of government restaurants. They were given permission to raise the prices of the food and beverages supplied by the government to a certain point and to keep the profits. Thus far only a few former restaurant owners have accepted this offer, because the government's terms were not sufficiently favorable.

One of the main reasons for the decentralization of the government was to decrease the number of government workers, who could no longer be maintained by the Yugoslav economic apparatus.

At present, there is a production and distribution crisis in Yugoslavia. There is also a shortage of consumers' goods and foreign exchange, and prices are rising. Capital construction in Belgrade and other cities has slowed down considerably.

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